

5 MINUTE EMA INTRADAY TRADING SYSTEM

1. THE CHART SETUP:

- 1.1 5 min candle chart - EUR\$, GBP\$ & JPY\$ pairs
- 1.2 10 & 21 EMA & 50 SMA on the chart itself
- 1.3 SMAangle & PhillipNelexpert indicator (post #399 on page 27 of thread & page 39) downloaded from thread & 21 EMA based on first indicator data on this indicator
 - 1.3.1 Draw horizontal line on 0.1, -0.1, 0.2 -0.2 level of SMAangle indicator
- 1.4 The EJ_CandleTime(1)H indicator from the 4h MACD thread to look at the time left before closure of current candle.

2. THE TRADE CRITERIA:

- 2.1 Wait for the 50SMA angle to be more that 20 degree
- 2.2 Wait for 21EMA on SMAangle indicator to cross the 0.1 or -0.1 line
- 2.3 Wait for price to pull back through 10EMA to 21EMA (war zone)
- 2.4 SMAangle bars to be higher or lower than 0.2 or -0.2 line

3. THE TRADE SETUP:

- 3.1 Use a market order to enter 1-2 pips from 21 EMA
- 3.2 Buy limit order:
 - Criteria 2.1-3 are met
 - When price is close to 10EMA, put buy limit order just 1-2 pips above 21EMA
- 3.3 Sell limit order:
 - Criteria 2.1-3 are met
 - When price is close to 10EMA, put sell limit order just 1-2 pip below 21EMA
- 3.4 Put Stop Loss 6+spread pips away
- 3.5 Move stop loss to breakeven after a clean 6 pips gain/profit (brokerage/spread included)
- 3.6 No Trailing Stop Loss
- 3.7 Put/activate profit limit on 10-15 pips

4. **ADDITIONAL ISSUES TO CONSIDER:**

Trade criteria (Bullet 2) must be met – then consider the following:

4.1 First pull-back to 10MA:

- Consider taking the first trade (comply with set-up criteria) when price have a pull back to 10EMA – price tends to bounce off 10EMA first
- Be careful – very risky

4.2 Wait for two candles to enter trade/war zone (between 10 & 21MA):

- Wait for two candles to make contact with/enter the war/trade zone on the chart before consider entering a trade.
- Not necessary to open or close in the war zone

4.3 Look for the width between the 10 & 21 MA:

- Be careful when the width between the two MAs is larger than 10 pips.

4.4 Look for the length of the current trend:

- Be careful when the current trend is running for 70-100 pips without a pull-back – trend could run out of steam shortly

4.5 Profit not triggered within 5 candles close trade:

- If your profit is not triggered within 3-5 candles, consider taking profit/break-even as soon as possible.

4.6 Close trade when there is close above 21MA:

- If there is a close of a candle above the 21EMA in case of a short trade and below the 21MA in case of a long trade, consider taking profit quickly or take break-even trade.
- Consider not taking any more trades or wait for pull back from 50SMA

4.7 Only two trades:

- Only take the first two trade set-up in the London trade time and the first two trade set-up in the USA trade time per pair

4.8 Two consecutive losses:

- After two consecutive losses, stop trading for the day